GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:294
ANSWERED ON:13.12.2005
EXPORT OF DIAMONDS
Kathiria Dr. Vallabhbhai;Singh Shri Sitaram

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of export of diamonds from India during the last three years;

(b) whether there is stiff competition from China in diamond cutting and polishing industry in the International Market; and .

(c) if so, the action taken/proposed to be taken by the Government to safeguard the interests of diamond cutting and polishing industry in India alongwith the steps taken to boost the export of diamonds?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF LOK SABHA STARRED QUESTION NO.294 FOR ANSWER ON 13TH DECEMBER 2005 REGARDING EXPORT OF DIAMONDS.

(a) The details of export of diamonds from India during the last three years are as follows:-

In US$ Million

2002-03	2003-2004	2004-2005
7407.75	8301.08	10361.82

Source: DGCI&S

(b) No, Sir.

(c) The Government and Gem & Jewellery Export Promotion Council (GJEPC) have taken several steps to safeguard the interests of diamond cutting and polishing industry in India alongwith the steps taken to boost the export of diamonds. Some of these are given below:-

The licencing regime for rough diamonds has been abolished and custom duty on import of rough diamond is 0%. Exploring direct procurement of rough diamonds from diamond mining countries is an ongoing exercise. Funds have been provided to create training infrastructure in this sector. Under the provisions of Foreign Trade Policy 2004-09 (updated on 31st March 2005) following facilities have been extended to the diamond segment of Gem & Jewellery Sector: -

(i) Gem & Jewellery exporters with a track record for at least three years and having an annual turnover of Rs.5 crores and above during the preceding three licencing years or the authorised offices/agencies in India of notified Institutes/Laboratories are permitted to export cut & polished diamonds each weighing 0.25 of carat and above for certification/grading for re-import without any import duty at the time of re-import.

(ii) An exporter of cut and polished diamonds who is status holder is allowed duty free import of cut and polished diamonds upto 5% of export performance of preceding year of cut and polished diamonds.

(iii) Private / public bonded warehouses are allowed to be set up in Special Economic Zone/ Domestic Tariff Area for duty free import and re-export of cut and polished diamonds subject to achievement of minimum value addition of 5%.

For promotion of India`s cut and polished diamonds abroad, publicity campaign, participation in international fairs, buyers and sellers meets are organised every year with assistance from Market Development Assistance (MDA) and Market Access Initiative (MAI) Schemes of the Department of Commerce.